

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

CHOICE HOTELS INTERNATIONAL, INC.,

a Delaware corporation,
1 Choice Hotels Circle, Suite 400
Rockville, MD 20850

Plaintiff,

v.

Case No.: _____

SUTTON FM1, LLC,

an South Carolina limited liability company,
212 S. White Street
Fort Mill, SC 29715

SERVE: Scott Wells, Registered Agent
212 S. White Street
Fort Mill, SC 29715

and

SCOTT WELLS

212 S. White Street
Fort Mill, SC 29715

and

MICHAEL RAPP

4255 Walker Rd.
Rock Hill, SC 29730

Defendants

COMPLAINT FOR CONFESED JUDGMENT

Plaintiff Choice Hotels International, Inc. ("Choice"), by and through its attorney, Kristen K. Bugel, Esq., sues and confesses judgment against Defendants Sutton FM1, LLC, Scott Wells and Michael Rapp ("Defendants"), and as grounds for its action states as follows:

1. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1332(a)(1), this being an action between citizens of different states and the amount in controversy being in excess of \$75,000.00, exclusive of interest and costs. The Court has jurisdiction over Defendants pursuant to 28 U.S.C. §1332(a)(1) and Ann. Code Md., C.J., §6-103(b)(1), Defendants having transacted business in Maryland with Choice. Venue is proper in the District of Maryland pursuant to 28 U.S.C. §1391(b).

2. Choice is incorporated in Delaware and has its principal place of business at 1 Choice Hotels Circle, Suite 400, Rockville, MD 20850.

3. On information and belief, Defendant Sutton FM1, LLC is a limited liability company organized under South Carolina law and has its principal place of business at 212 S. White Street, Fort Mill, SC 29715. Upon information and belief, Defendant Sutton FM1, LLC is owned by Defendants Scott Wells and Michael Rapp.

4. On information and belief, Defendant Scott Wells is an individual who at all times relevant to these proceedings was, and currently is, a citizen of South Carolina. Based upon information, knowledge, and belief, Defendant Scott Wells is neither employed in nor resides in Maryland or Delaware.

5. On information and belief, Defendant Michael Rapp is an individual who at all times relevant to these proceedings was, and currently is, a citizen of South Carolina. Based upon information, knowledge, and belief, Defendant Michael Rapp is neither employed in nor resides in Maryland or Delaware.

6. On or about October 28, 2021, Choice and Defendants entered into a Settlement and Release Agreement in connection with monies owed to Choice by Defendants pursuant to a franchise agreement between the parties (the "Settlement Agreement"). A copy of the

Settlement Agreement is attached as Exhibit 1.

7. Defendants also executed a promissory note in the principal amount of \$153,900.00 as part of the Settlement Agreement (the "Promissory Note"). A copy of the Promissory Note is attached as Exhibit 2.

8. Pursuant to the terms of the Promissory Note, if Defendants executed a new franchise agreement (the "New Franchise Agreement") for the construction and operation of a new hotel (the "New Hotel") by October 29, 2021, and thereafter began renting sleeping rooms to the public at the New Hotel in accordance with the terms set forth in the New Franchise Agreement, then the Promissory Note would be marked "paid" and returned to Defendants.

9. Defendants failed to execute the New Agreement by October 29, 2021, or at any time thereafter.

10. Consequently, Defendants are in default of the Settlement Agreement and the Promissory Note.

11. In accordance with the terms of the Promissory Note, upon default of the Promissory Note, Defendants became liable for immediate payment of the principal amount of the Promissory Note, less any payments, plus interest at the rate of 10% per annum from the date of default until all amounts are paid in full.

12. The Promissory Note provides that, in the event interest or principal are not paid when due, authority is given to an attorney-at-law to appear on behalf of Defendants in any court and waive the issuance and service of process, and to further confess a judgment against Defendants in favor of Choice for such amount as may be unpaid, and to further release all errors and waive all rights of appeal.

13. There remains due and owing to Choice on the Promissory Note the principal

unpaid balance of \$153,900, plus interest at the rate of 10% per annum from October 30, 2021, through June 30, 2023, in the amount of \$26,034.75, plus additional interest at the rate of 10% per annum from July 1, 2023, until paid.

WHEREFORE, Plaintiff respectfully requests that this Honorable Court:

A. GRANT Plaintiff's Complaint for Confessed Judgment against Defendants Sutton FM1, LLC, Scott Wells and Michael Rapp.

B. Enter a JUDGMENT BY CONFESSION against Defendants, individually, jointly and severally, in the amount of One Hundred Seventy-Nine Thousand Nine Hundred Thirty-Four Dollars and 75/100 (\$179,934.75), comprising outstanding principal in the amount of \$153,900, and interest accrued through June 30, 2023, in the amount of \$26,034.75,

C. GRANT Plaintiff an award as and for continuing interest at the rate of 10% per annum from July 1, 2023, until all amounts are paid,

D. GRANT Plaintiff court costs in the amount of Four Hundred Dollars (\$400.00), and

E. GRANT Plaintiff such other and further relief as may be just and proper.

Respectfully submitted,



Kristen K. Bugel, Esq.
1 Choice Hotels Circle, Suite 400
Rockville, MD 20850
301-592-5191
kristen.bugel@choicehotels.com

Attorney for Plaintiff
Choice Hotels International, Inc.